AVIATION TECHNICAL ADVISORY COMMITTEE MEETING MINUTES

APRIL 11, 2002; CHINO AIRPORT



1.0 Call to Order

The meeting was called to order at 10:10am by Immediate Past Chair Mr. Bob Trimborn, Santa Monica Airport.

2. 0 Welcome and Introductions

Attendees were welcomed and introductions were made.

3.0 Public Comments

There were no public comments.

4.0: Routine Items

4.1 Approval of Minutes

The minutes from the March 14, 2002 meeting were approved with no comments. Mr. William Ingraham, San Bernardino County Airports approved the minutes, and Mr. Bob Trimbom seconded the motion.

4.2 ATAC Membership List and Contact Information

Mr. Mark Kranenburg was appointed as the San Bernardino County Airports alternate by Mr. William Ingraham. Mr. Kranenburg's contact information is in the ATAC Membership List.

5.0 Project Review

There are no submissions for review.

6.0 Information Items

6.1 Chino Masterplan Update

Mr. James Jenkins, Chino Airport, began the discussion by giving an overview of the Master Plan process that Chino has been going through. He first showed an aerial view of the airport layout and said that the airport comprises 1100 acres.

There are development issues on each side of the airport. These are mainly related to noise issues and the possibility of residential development. There is a possibility of a high density residential development to the north of the airport.

Prior to September 11, there were 5 gates for automobiles to pass into the airport. Since that time access has been reduced to one single point of entry. Unfortunately this has resulted in the mingling of autos with aircraft. There have been 3 incursions since September.

The Chino Airport has close to 1,000 based aircraft. Based on survey data it was determined that the majority of airport users resides in Orange County.

Mr. William Ingraham began discussing the implications of housing around the airport. There is concern that the cities of Chino and Ontario overlook Chino Airport as a possible source of noise when planning residential units. Much of the area around the airport is agricultural land that is open for developing. Historically, the area was a dairy community. In the 1940's dairy farmers were pushed out of Los Angeles due to rising land values. Today there is already a trend that farmers will again be forced out to such outlying areas as Bakersfield, etc.

Mr. Robert Rodine of the Polaris Group asked if the Master Plan process was developed at all with elected official input? James Jenkins responded that the Chino Airport planners have been very involved in working with the elected officials.

It was asked what percentage of operations uses the cross wind runway? James Jenkins responded that the runway is used rarely. The only time it has significant use is during the Santa Ana winds.

Mr. Bill Cobb, Corona Airport, said that the population that uses Corona Airport is almost identical to that of Chino. 15% of the users live in Corona while the remainder of the users are from Orange County.

6.2 27th Annual FAA Commercial Aviation Forecasting Conference

Mr. Ryan Hall, SCAG staff led the discussion by talking about the conference proceedings which were held March 11 and 12, 2002 in Washington DC.

The reason for the current downtum in aviation is not only due to the Terrorist Attacks. Prior to September 2001 there were already signs of a slow down. Beginning with the dot com failures earlier in the year business travel had slumped. The attacks of September 2001 only added to the recession. Within the U.S. the results were mixed. Those regions that are wealthier and also those in the Sunbelt are perceived to have less long term negative demand impacts. The SCAG regions fits both of these criteria.

Internationally, there is also variance. Europe followed the U.S. with a similar, yet weaker, recession. Demand is expected to return, but not at significant levels. The Asian markets are still having a troubled economy which leads to a volatile airline industry. Lastly, while South America has had significant internal turnoil it seems that the effects have been self contained and have not had a negative impact on world aviation demand.

As mentioned previously, the forecasts call for passenger demand to fully return. Yet, there is some uncertainty in this forecast. There are four main areas of concern:

- Security. If there is another Terrorist Attack it could have more permanent damage on consumer confidence in air travel. Also, security procedures at airports could impact a desire to fly.
- Business travel. Depending on the economy and the security issues, business travelers may be more elastic than before September 2001.
- Mode choice. Flights less than 500 miles have suffered greatly since September 2001. The short haul market in air travel may incur the greatest negative impact.
- Airline uncertainty. Given the dire financial situation of the airlines and almost constant labor issues, there is great volatility.

Darryl Jenkins, from George Washington University, forecasts that by 2010 there will only be three major airlines in the United States. The next two to three years should remain steady but that market cannibalization will happen by the middle of the decade. He also predicts that the federal government will be more willing to grant mergers in the coming decade than they have in the past few years (ie-United and US Airways).

There is also a shift toward most air cargo being transported in all cargo aircraft. The amount of airline belly hold cargo is decreasing. The transaction costs are too high and have proven to be inefficient.

The need for planning new airport infrastructure has not been changed. It is vital that regions continue to look at new airport and runway opportunities. Jane Garvey stressed that with very few new runways coming online in the next few years it will be vital to continue to increase capacity. The air transportation system has a few choke points where air traffic is constantly delayed. While none

of these 'choke points' are in the SCAG region, the air transportation system is only as effective as the weakest link. Delays in Chicago, New York and San Francisco all have major impacts on passengers and cargo going to and from the SCAG region.

New infrastructure is taking about 10 years to plan and build. Given the clear trends that air travel demand will return fully, and continue to grow, the need for new development has not deteriorated. The issue will be developing new infrastructure that will minimize environmental impacts and community concerns.

6.3 Runway Safety Initiative

Mr. Ken Ashmore, Long Beach Airport filled in for Ms. Christine Edwards, Long Beach Airport, who was not able to attend the meeting.

Mr. Ashmore began by discussing the pavement loop technology that is currently being implemented at Long Beach Airport. The airport has a very complex airfield layout that includes multiple crossing runways and taxiways. There is also a very diverse user base between corporate jets, air carriers and general aviation.

The pavement loops address intersections with historically high incidence on runway incursions. The loops in the pavement are activated when an aircraft drives over them. This would alert through lights that the runway or taxiway is occupied. The system reacts based on traffic situations and could drive controller display. In addition, the system can alert controllers when a wrong turn is made and can alert pilots when they are going the "wrong way".

Another component of the program is the runway encapsulation. Aircraft on approach can see lights that indicate whether the runway is sterile for landing. It is lined to SoCal radar at Long Beach for aircraft landing information.

There are a number of advantages to using a system like this. There is direct pilot notification and no aircraft based equipment is required. There is also an automatic operation based on the current airfield situation.

On the approach notification system PAPI lights are utilized. The pilots are familiar with PAPI lights and would require very little new training.

The lighting system is still being installed in Long Beach and is not yet operational.

William Ingraham asked how pilots will be trained on the system? Ken Ashmore responded that home pilots will already be familiar with the system. However, visiting pilots may not be familiar and there is a chance that there could be a greater number of incursions.

Bob Trimborn asked if the system works with non-metal aircraft as well? Ken Ashmore said he believed so, but was not sure.

Scott Smith, Ventura County Airports, asked who is funding the project? Ken Ashmore responded that the FAA is paying for the project and using Long Beach as a test site.

6.4 Southern California regional Airport Authority (SCRAA) Cargo RFP

Ms. Peggy Ducey, Southern California Regional Airport Authority, began by giving a presentation on the history of SCRAA and the proposed cargo study. Peggy Ducey said that she came to ATAC 7 or 8 months ago and is here to update ATAC.

SCRAA is currently looking for ways that it can help solve the problems of aviation. SCRAA is not going to be duplicating any planning efforts that SCAG and other qualified organizations already do. What SCRAA can do is problem solving; get on the ground and make the decentralized regional approach work. Inland Empire airports are having difficulty in attracting cargo carriers, what is the issue? What is the problem?

The cargo RFP that SCRAA is proposing is based on product not process. SCRAA is going to be going to the cargo carriers and the airports and sayingwhat do you need to get cargo at this airport? How can we help you? There will be a process of talking to all the stakeholders and finding out what they need. This is about problem solving. There is going to be consensus building.

Peggy Ducey introduced Ken Delano, aviation consultant, who is assisting SCRAA in the air cargo study.

Ken Delano said that he previously worked at March Air Force base and understands how hard it is to attract cargo the area. Before that he worked for 3 years on the LAX Master Plan.

The problem is that 90% of the air cargo goes out of LAX. The only carriers that don't are the integrators such as DHL. There is inadequate space at LAX for cargo, both on the airport and off. Rents can go for \$1sq/ft for warehouse space. There are high landing fees, business taxes and high rents. The cargo buildings on Century Blvd. took years to build. The space is choked with air cargo.

Every warehouse in the areas of Westchester, etc are all being used for air cargo. Buildings that were previously used for truck repair or manufacturing are now being used for cargo holding.

Its belly cargo and ramp handlers that drive the cargo industry at LAX. There are a number of choices in flights that go to a multitude of destinations. LAX has freight forwarders, customs brokers and customs officials. All of these services are readily available at the airport. In the Inland Empire there are none of these services.

There is also a lot of truck to truck traffic that happens near LAX. There are other intermodal opportunities between planes and trucks and planes and trains.

Maintenance and labor is another issue. In the Inland Empire it is nearly impossible to get repairs on equipment done. None of the skilled labor are nearby. At LAX all the necessary people are there and available.

The question is how do we extend the infrastructure at LAX and bring it to the Inland Empire?

Peggy Ducey spoke again and said that the goal of this study is to be real world and work with those people directly involved with cargo on a daily basis. The issue will be the economic viability of cargo in the Inland Empire. The focus is real world.

Sonja Murray, SH&E, asked what kinds of stakeholders would be involved in the study. Peggy Ducey responded that she has learned from past experience that if you leave an important stakeholder out the entire process can be sabotaged.

Ken Delano said that at Ontario 90% of the cargo is integrators such as Atlas and Evergreen. To get more cargo traffic there must be the same type of support network that LAX has. Peggy Ducey said that the bottom line will drive cargo. Carriers will not move out of the goodness of their hearts.

Bob Trimborn asked what the anticipated cost of the study will be? Peggy Ducey responded that the study was included in the FAA grant application at a cost of \$250,000. The scope of work will be bid and proceed from there. However, SCRAA is waiting until the SCAG air cargo study has been completed.

Bob Trimborn also asked about time sensitive cargo. He mentioned that cargo can be shipped virtually anywhere as belly cargo almost immediately. Michael Armstrong, SCAG, interjected and said that this wasn't necessarily true anymore. There are long processing times at LAX and cargo can sometimes sit for 2 or 3 days. There is a lack of space and customs is overburdened. The SCAG cargo study is being updated. The study will have case studies looking at all cargo airports around the country, as well as belly cargo vs. all cargo operations. The new security requirements will also have an impact on the air cargo industry and the study will reflect this. Michael Armstrong continued to say that he hopes SCRAA can make a logical plan of action to bring cargo to the Inland Empire and Palmdale. He also said that Measure W could have a major impact on the Inland

Empire cargo situation. There has already been considerable interest in March Air Force Base.

Peggy Ducey responded that Measure W is going to create tremendous opportunities for development. SCRAA is trying to get ahead of the curve and create solutions before LAX is completely saturated. The SCRAA will be presenting the cargo study RFP again the next SCRAA Board Meeting.

6.5 Status of Aviation Economic Impact Study

Ms. Nancy Benjamin, Caltrans, gave a presentation on the Economic Impact Study of Aviation. The study that is underway is something that has been on the things to do list for a long time. It is an attempt to have some type of understanding on the economic impact of aviation.

There has been a consultant hired for the study. The basic concept is to get a handle on aviation activities in the state. There will be a survey going out to all non-hub public use airports. The letter will be from Austin Wiswell. Studies will not be sent to those airports that are considered limited use.

The survey will be asking for any previous reports that the airport may have produced. In addition, the consultant will be conducting a phone survey of airports as well.

The study is trying to accomplish tools that can be used at the airport, regional, state and national level. There will not be specific economic information on every airport, but there will be a summary of each airport. The most important thing is to encourage regional and state officials to see that airports provide an important economic asset.

There was a public comment that discussed the economic impacts beyond just the aviation component. For example at Van Nuys once the aircraft lands there may be a multi-million dollar deal that is signed by a client who flew in. The question is how can these transactions be assessed. Michael Armstrong followed up by saying that the real question is whether the transaction would have taken place if it were not for the airport. Or would have the transaction occurred in another jurisdiction.

William Ingraham emphasized that asking the airports themselves for input may not be the most prudent choice, but rather making sure that the consultant has some knowledge of economic activities. Airport managers may not be as well versed in economics as the consultant.

Bob Trimborn asked how the economic growth is impacted by good general aviation airports. Is there a connection between robust general aviation airports

and economic development, versus those cities with little or no general aviation activity.

There was a discussion on this issue that focused on whether the airport activity follows economic development or whether economic development comes after a busy airport.

7.0 Action Items

7.1 ATAC Meetings Held Bi-monthly

Michael Armstrong gave an overview on the idea of holding ATAC meetings on a bi-monthly basis. There are a number of reasons why SCAG staff feels that ATAC meetings should be held bi-monthly. The first of these is that staff will be increasingly busy with the airspace analysis, and the possible resurrection of the Aviation Task Force. For the airspace analysis there will need to be a steering committee that will pull members from ATAC.

William Ingraham responded that he would be willing to give the bi-monthly schedule a try but fears that the information would be too stale after a lag of eight weeks. He would be willing to try it if there was always the option kept open of going back to monthly meetings.

Scott Smith said that he was concerned about the argument that a bi-monthly schedule would increase participation. If you miss a meeting it will be four months between meetings.

Bob Trimborn suggested that an email survey be sent out to the membership as a whole asking for comments on this idea. The survey results will be discussed at the next meeting. Another idea is that if there is a bi-monthly schedule to have an information newsletter to be sent out during interim times.

8.0 Legislative Report

8.1 Significant Aviation Related Legislation Before the California Legislature

Nancy Benjamin briefly discussed the current legislation issues at the State level. She pointed out AB 2719 which gives additional funding to general aviation. The tax revenue from the Bill would be used for funding of security and safety issues for general aviation airports.

8.2 Significant Aviation Related Legislation Before the United States Legislature

Ryan Hall began to talk about United States Senate Bill S 2007 which was introduced on March 12, 2002 by Senator James Inhofe (R-Ok). The Bill was read twice and referred to the Committee on Banking, Housing and Urban Affairs.

This legislation, if passed into law will, "compensate general aviation entities and their employees for economic injuries incurred by such entities and employees as a result of the terrorist attacks on the United States on September 11, 2002". The amount of Federal Aid will not exceed \$3 Billion.

Compensation may be given for:

- Direct loss es incurred beginning on 9/11/01 due to ground stoppage of operations.
- Incremental losses between 9/11/01 and 12/31/01 as a direct result of terrorist attacks.
- Direct losses due to flight restrictions as a response to increased security.
- Incremental losses incurred by employees who lost their jobs due to the attacks. These are limited to:
 - Losses during a 90 day period beginning on the day of job loss, and,
 - Added costs of health insurance premiums and medical expenses incurred during that 90 day period.

Scott Smith asked whether the compensation would be given by the federal government through programs like unemployment or directly to individuals and firms. Ryan Hall and William Ingraham both responded that the funding was to be given directly to the individuals.

There was discussion by ATAC members that this is an important piece of legislation and the airports should recommend lobbying for the passage of the Bill.

9.0 Miscellaneous Items

9.1 Journal Articles (Focus: Air Cargo)

There were no comments on the journal articles included in the agenda packet.

9.2 Press Clippings

There were no comments on the press clippings included in the agenda packet.

10.0 Public Comment Period

There were no public comments.

11.0 Set Next Meeting Location and Topics for Discussion

The next meeting will be held Thursday May 9, 2002 from to 10am to 12Noon. The location is Ontario International Airport.

Some ideas for agenda items at the next meeting:

- SCAG staff could give an update on the progress of the air cargo study.
- Have El Toro as a discussion item.
- Give a briefing on the airspace analysis pre-bid meeting.

12.0 Adjournment

Bob Trimborn dedicated the meeting to the late Cliff Moore who was responsible for bringing LAX into the jet age; he will be truly missed.

The meeting was adjourned at 11:55am.

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